

ILLINOIS REGISTER

ILLINOIS RACING BOARD

NOTICE OF PROPOSED AMENDMENT

- 1) Heading of the Part: Charitable Funds
- 2) Code Citation: 11 Ill. Adm. Code 208
- 3) Section Numbers: 208.120 Proposed Action:
Amend
- 4) Statutory Authority: 230 ILCS 5/9(b)
- 5) A Complete Description of the Subjects and Issues Involved: This proposed rulemaking requires applicants for charitable funds to submit audited financial statements at the time the application is submitted, not within 120 days of the applicant's fiscal year. Also, the 60 day requirement for requesting an extension of time has been reduced to 30 days.
- 6) Published studies or reports and sources of underlying data used to compose this rulemaking: None
- 7) Will this proposed rulemaking replace any emergency rulemaking currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending in this Part? No
- 11) Statement of Statewide Policy Objectives: No local governmental units will be required to increase expenditures.
- 12) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Written comments should be submitted, within 45 days after this notice, to:

Mickey Ezzo
Illinois Racing Board
100 West Randolph
Suite 7-701
Chicago, Illinois 60601

(312) 814-5017

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- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not-for-profit corporations affected: None
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda which this rulemaking was summarized: This rulemaking was not included on either of the two most recent regulatory agendas because: The Board did not anticipate the need for this rulemaking at that time.

The full text of the Proposed Amendment begins on the next page:

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TITLE 11: ALCOHOL, HORSE RACING, AND LOTTERY

SUBTITLE B: HORSE RACING

CHAPTER I: ILLINOIS RACING BOARD

SUBCHAPTER a: GENERAL RULES

PART 208

CHARITABLE FUNDS

SUBPART A: GENERAL ADMINISTRATIVE PROVISIONS

Section

- 208.10 Application Procedure
- 208.20 General Program Requirements
- 208.30 Funding Priorities
- 208.40 Award of Charitable Funds

SUBPART B: FISCAL AND MONITORING REQUIREMENTS

Section

- 208.100 Use of Funds
- 208.110 Accounting Requirements
- 208.120 Audits

AUTHORITY: Implementing and authorized by Section 9(b) of the Illinois Horse Racing Act of 1975 [230 ILCS 5/9(b)].

SOURCE: Adopted at 13 Ill. Reg. 1232, effective January 13, 1989; amended at 18 Ill. Reg. 7410, effective April 29, 1994; amended at 20 Ill. Reg. 7941, effective June 1, 1996; amended at 36 Ill. Reg. _____, effective _____.

Section 208.120 Audits

- a) Each recipient shall have an annual audit performed at the close of its fiscal year. This audit is to be performed in accordance with generally accepted auditing standards by an independent certified public accountant registered by the State of Illinois. The resulting audit report is to be prepared in accordance with the American Institute of Certified Public Accountants (AICPA)(1987).
- b) Audit Report
 - 1) A copy of the applicant's audited financial statements for the preceding calendar year shall be included in the applicant's application.~~Each annual~~

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~~audit report is to be filed with the Board within 120 days of the end of the recipient's fiscal year.~~ A request of an extension of time to file an audit report must be submitted in writing ~~30~~⁶⁰ days prior to the deadline for filing the ~~application~~^{audit report}. A request for an extension of time to file an audit report shall only be granted when the auditor submits a signed statement certifying that the audit cannot be completed in the designated time due to circumstances beyond the control of the auditor and the recipient. The auditor's statement must also detail the circumstances which form the basis for this request.

- 2) The report shall contain the basic financial statements presenting the financial position of the agency, the results of its operations, and changes in fund balances.
 - 3) The reports shall contain a schedule of income by source. Individual sources of income should not be combined (e.g., funds received from several state or federal agencies should not be combined into once classification, such as "State of Illinois" or "Federal Government").
 - 4) The report shall contain a schedule of operating expenses by program - operating fund. The term "operating fund" includes all funds a recipient may have in its accounting records except those in a capital fund or contingency fund.
 - 5) The report shall also contain the auditor's opinion regarding the financial statements taken as a whole, or an assertion to the effect that an opinion cannot be expressed. If the auditor expresses a qualified opinion, a disclaimer of opinion, or an adverse opinion, the reason therefor must be stated. The auditor shall communicate any material weakness in the recipient's internal controls.
- c) Recipients shall also be subject to audit by Board personnel to determine whether the funds awarded by the Board are being used in accordance with proposed budget contained in the application.

(Source: Amended at 36 Ill. Reg. _____, effective _____)